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Chairman: Mr. Brauzzi (Vice-Chairman) ..... (Italy)

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In the absence of Mr. Olhaye (Djibouti), Mr. Brauzzi (Italy), Vice-Chairman, took the Chair.

The meeting was called to order at 10.05 a.m.

Agenda item 99: Sustainable development and international economic cooperation (*continued*)

(b) Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) (*continued*)

Draft resolution on the implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) (A/C.2/54/L.13)

1. **Ms. Critchlow** (Guyana) introduced the draft resolution on behalf of the Group of 77 and China.

Draft resolution on preparations for the special session of the General Assembly for an overall review and appraisal of the implementation of the Habitat Agenda (A/C.2/54/L.12)

2. **Ms. Critchlow** (Guyana) introduced the draft resolution on behalf of the Group of 77 and China.

(c) International migration and development, including the question of the convening of a United Nations conference on international migration and development to address migration issues (*continued*)

Draft resolution on international migration and development, including the convening of a United Nations conference on international migration and development (A/C.2/54/L.11)

3. **Ms. Critchlow** (Guyana) introduced the draft resolution on behalf of the Group of 77 and China.

Agenda item 104: Globalization and interdependence (*continued*) (A/54/98, A/54/175, A/54/358)

4. **Ms. Rose-Oduyemi** (World Health Organization) said that globalization had become a driving force in development thinking. Concerns about the positive and negative effects of the intensification of global flows of capital, goods, ideas and people were a major focus of national and international development policy dialogues. Developed and developing countries alike were seeking ways to capture the benefits of globalization while minimizing its risks.

5. For some the new millennium held the promise of greater wealth and greater well-being, but for the more than 1 billion people who were left out of the development process, the future was not promising. Everyone must join forces to make globalization work to better the health and well-being of those who had been left behind. Globalization would be judged a success only if it promoted growth and sustainable development, improved the distribution of income and reduced poverty. It was now generally accepted that health and education were key determinants of growth and development. Investment in people was the best use of limited development resources.

6. The technical programmes of WHO sought to work against the promotion and consumption of harmful products, to ensure that trade agreements promoted equitable access to health services, to strengthen the global surveillance system through the revision of the International Health Regulations and to promote policies and interventions that would combat major diseases.

7. In addition, WHO, in cooperation with its partners, was trying to promote more effective governance for health, to disseminate information about health so as to inform decision-making and to support efforts at national and local level to better understand the effects of globalization on health and to promote and protect the health of individuals.

8. Many of the challenges of the present day were global in nature. New policies and policy instruments were required to ensure that health and issues related to human development and poverty reduction were incorporated into global policy concerns. The common challenge was to ensure that globalization promoted social cohesion and that those currently marginalized were given the health, education and human security to get connected and to reap the benefits of the globalizing world.

9. **Mr. Zarie Zare** (Islamic Republic of Iran) said that his delegation associated itself with the statement made by the representative of Guyana on behalf of the Group of 77 and China. Globalization, which was reflected in increased mobility of the factors of production, the emergence of a global market and the rapid development of technologies, particularly information technologies, was affecting most societies. Globalization and liberalization had increased interdependence and as a result, had increased the possibility of interaction and cooperation.

10. That being so, although, in the long run, it might benefit some developing countries, globalization was having a destabilizing effect on most of them. Instead of bringing countries closer together it was creating division between those which were part of that development and those which

were excluded. Most developing countries were already suffering the adverse effects of globalization and were still waiting to see the positive effects. Globalization was not necessarily bad in itself, but it had increased the vulnerability of many countries and regions and, as a direct consequence, had increased uncertainty about the future, marginalization and exclusion.

11. It also had major impacts on the development and implementation of policy at the national and international levels. Its effects in the financial and trading areas could hamper the implementation of macroeconomic policies at the national level, as the impact of the recent financial crises on macroeconomic policies, poverty eradication programmes and human development programmes in the affected countries showed. Decision-makers in the developing countries should therefore take the international context into account in developing national policy. Towards that end, the developing countries would have to bolster their capacity in terms of decision-making and management of public affairs, integrate themselves into the international monetary, trading and economic system, and participate actively in all decision-making in policy coordination and development forums. The creation of a communications and information technology infrastructure and the dissemination of such technology could help improve the degree of coherence of the measures taken and the policies applied.

12. Coherence, complementarity and coordination between the policies adopted in the monetary, financial, trade and social fields must be enhanced. Poverty eradication, the creation of productive employment and the provision of social services, particularly to the poor, were incompatible with the heightened protectionism in some industrial countries. Also, some institutions and some institutional mechanisms, particularly in the economic field, were a long way from meeting the needs created by interdependence and globalization. Some problems could not be solved at the national level, and suitable institutional arrangements must therefore be created at the global level.

13. The United Nations was the most appropriate body, by reason of its mandate, its deliberative functions and its capacity for consensus-building, to respond to the challenges of globalization. A follow-up mechanism for the various systems established by United Nations bodies and the Bretton Woods institutions should be created to strengthen the Organization's role in that field. The United Nations bodies could also plan and carry out their operational activities in such a manner as to contribute to the integration of the developing countries into the global economy and help them, through capacity-building at the national level, to benefit from globalization and protect themselves from its negative impacts.

14. **Mr. Sibeko** (South Africa) said that his delegation associated itself with the statement by the representative of Guyana speaking on behalf of the Group of 77 and China. Globalization was an incomplete yet inexorable process. On the one hand, it opened up tremendous opportunities by eliminating barriers to the trade in goods and services, capital and information flows and technology transfers by promoting the integration of markets and bringing peoples together, leading to increasing standards of living. The revolution under way in information and communications technology had had beneficial effects for most countries. Scientific and technological progress had provided the international community with powerful tools to tackle problems of all kinds. Also, over the past few years the developing countries had been the locomotive for growth in the global economy in a context of globalization.

15. On the other hand, it could also be said that that blind process had impacted different countries differently. It had been accompanied by growing inequalities and asymmetries both within and between countries, and by short-term capital movements with disastrous effects on the developing countries. In a word, the positive effects of globalization had accrued mostly to the developed countries, while the developing countries faced worsening poverty and unemployment and reduced security in all its aspects. Moreover, despite their crucial role in the growth of the world economy, the developing countries remained excluded from international economic decision-making.

16. In Africa, the cost of globalization currently outweighed the benefits. The Uruguay Round agreements had not been implemented in the export sectors of interest to Africa. Debt service had diverted resources which could have gone to development. Supply-side capacity weaknesses and the lack of technology transfer also prevented African countries from participating actively in the global economy.

17. Despite that lamentable situation, globalization still held promise for developing countries in general and Africa in particular. However, it needed a "human face", a people-centred approach based on improving the standard of living for all: poverty must be eradicated, people's basic needs must be fulfilled and human rights must be promoted, with special attention to the status of women, children and disadvantaged groups. Another aspect of such development lay in the need to promote democracy, social justice and solidarity at the national, regional and international levels.

18. In pursuance of the ideals of people-centred development, the United Nations had an important role to play by intervening strategically, as a custodian of core moral values, in areas affected by globalization. That did not mean that it should deal directly with issues of trade or finance that fell within the competence of the Bretton Woods institutions; rather, the United Nations could suggest an integrated approach to trade, finance and development issues. If it was to achieve that objective, it must involve other actors such as civil society and the private sector.

19. **Mr. Svetogorsky** (Uruguay) said that globalization resulted from a combination of three factors: the development of information retrieval and dissemination techniques, the creation of integrated free trade areas and economic groups and the growing interrelatedness and interdependence of goods and services markets and financial markets. Protectionism must be avoided and commitments to liberalized trade must be put into effect. Countries like Uruguay did not want to find themselves marginalized. Yet the statistics showed that the gap between industrialized countries and developing countries was growing ever-wider. Much of the developing world, especially the low-income countries and the least developed countries, lacked the resources to draw up the basic agreements which would enable them to rely on international trade for sustained economic growth and enduring development. It was vital that multilateral organizations, especially the United Nations, should support them in their efforts to expand their share of world trade.

20. One of the most disturbing situations was unemployment, which affected all countries whatever their level of development. There were currently 130 million unemployed and 700 million underemployed. Those figures were due in part to globalization and liberalization. In many countries, there was not enough growth to create jobs.

21. Uruguay had joined MERCOSUR with a view to helping to accelerate the process of liberalization and association in Latin America. It believed that joining MERCOSUR was a means of integrating into the world economy. No country could afford to remain isolated any longer.

22. **Mr. Ri Kwang Nam** (Democratic People's Republic of Korea) said that his delegation associated itself with the statement made by the representative of Guyana on behalf of the Group of 77 and China. No one could currently deny that globalization had generated economic asymmetries at both the global and the national levels and posed new challenges to the aspirations of developing countries. The negative impact was increasingly pronounced in the areas of finance, the economy and trade and extended beyond to the sociopolitical and cultural domains, causing explosive situations owing to employment, income, health and environmental insecurities. Given those circumstances, the ministers for foreign affairs of the Group of 77 had emphasized at the meeting held in New York on 24 September 1999 that, while globalization was often unpredictable and uneven, it could, if properly managed and based on strengthened cooperation, open the way for enduring and equitable growth at the international and national levels.

23. His delegation would therefore like to see further analysis of globalization and, subsequently, common efforts to cope with the negative impact. In that regard, it drew attention to a number of issues. First, efforts must be made to create a more favourable international economic environment. The current environment, driven by free market forces and unpredictable capital fluctuations had been favourable to countries which benefited from sound economic conditions, technology and capital but unfavourable to the majority of developing countries which were relatively uncompetitive and marginalized. Accordingly, a just and equitable international economic order should be established in which developing countries participated fully in decision-making on world economic problems and had their needs and interests taken into account in the reform of the international financial and trading system.

24. Secondly, the downward trend of international development assistance should be reversed. Official development assistance had recently declined to 0 22 per cent of gross national product, or less than one third of the 0.7 per cent United Nations target. While each developing country should make maximum use of its domestic financial resources to promote development, external financial support was indispensable if the new challenges presented by globalization were to be met. His delegation therefore called on developed countries to comply by the year 2000 with the internationally agreed targets for official development assistance and with the commitments in Agenda 21.

25. Thirdly, unilateral economic sanctions and extraterritorial practices should not be allowed to remain intact. Unilateral economic sanctions were the product of power politics, which impeded the development of the economy and the trade of developing countries, and were an anachronistic means of pressure, which ran counter to current trends of closer economic and trading relations between countries.

26. **Mr. Murat** (Haiti) said that globalization compelled the State to share the administration of international relations with other actors of civil society. Although globalization offered new opportunities, at the same time it widened the gap between rich countries and poor and accentuated inequalities within borders. Unfortunately, the developing world suffered the most. Many developing countries stood at the margin of the world economy, a situation which caused major migrations, serious environmental stress and even disturbances and deadly conflicts. Marginalization was due to a combination of new factors which had not been favourable to the weakest economies.

27. Since globalization was inevitable, it was all the more necessary for the community of States to make a collective effort to extend the benefits of globalization to all nations and to reduce any negative impact. Migratory flows, environmental stress, drug trafficking and money laundering were some of the many international problems that made global solidarity imperative. The United Nations system could assist the world community to renegotiate the rules on development policy and economic and trading relations. The United Nations must be a stakeholder in all initiatives to reform the world economic system. It could encourage the integration of developing countries into the world economic system by helping to create the conditions for technology transfer and supporting the enhancement of national capacity (human resource development, external debt management, alleviation of the social consequences of economic reforms).

28. In conclusion, he reiterated the importance of the continuing support of the international community and of the essential role of the United Nations.

29. **Ms. Leonce** (Saint Lucia) said that whatever the terms used — globalization, liberalization, internationalization of trade — the world economy depended on the policies of the World Bank, IMF and WTO, whose major participants and decision-makers were the OECD or developed countries. The objectives of those institutions were basically to speed up economic growth, increase employment levels, reduce poverty, and promote development. The results obtained were not convincing. The OECD countries, with 19 per cent of the world's population, controlled 71 per cent of trade and 58 per cent of foreign direct investment, as well as accounting for 91 per cent of Internet users. In the developing countries, in contrast, growth had slowed from almost 6 per cent in 1996 to under 2 per cent in 1998. Their trade deficit was higher than in the 1970s. Poverty and unemployment were on the rise, and the general situation had deteriorated drastically. A few people, corporations and countries had an increasing share of resources and wealth, while in more than 80 countries per capita incomes were lower than a decade or more ago, and 55 other countries had declining per capita incomes. The system in place favoured the markets of the developed countries and their corporations by removing barriers to trade with the developing countries while maintaining barriers against developing country products. It was an inequitable profit-based system which promoted unbridled competition without a care for the disastrous long-term consequences. Given that situation, the international community could not disown its responsibilities.

30. The time had come to review the role of the institutions, which had been established in the colonial era without the participation of the developing countries and still acted without consulting them. It was necessary to liberalize not only the markets of the developing countries but also those of the developed countries in order to achieve equity. The countries benefiting from globalization should reverse the decline in ODA and give assistance through capacity-building and transfer of technology. It was also necessary to correct the distortions and structural imbalances which aggravated the negative impact of globalization. If globalization continued under current conditions, one economic system, one culture and one ethic would be imposed on all without any account being taken of differences between cultures, unequal stages of development, capabilities and vulnerabilities. The sovereignty of States and the rights and liberties of peoples would be undermined, and global chaos would ensue.

31. **Mr. Ayari** (Tunisia) said that Tunisia associated itself with the position stated on behalf of the Group of 77 and China with respect to agenda item 104: Globalization and interdependence. Left to its own devices, globalization risked disrupting international relations and development models and increasing the marginalization of the developing countries. It was the developing countries in particular, as well as the poorest social groups, which had suffered the consequences of globalization; hence the need to fulfil the commitments entered into at the international conferences of the United Nations while adapting them to the new realities.

32. The international community had a duty to ensure the development of the world economy while taking into account the characteristics of each country and giving particular attention to the problems of the developing countries. His delegation emphasized in that connection the need to establish an international trade system which would give the developing countries broader access to the markets of the developed countries with a view to obtaining from their exports more resources than they received in foreign capital flows. It hoped that WTO would establish a fairer and more

balanced trade system which truly took into account the interests of the developing countries.

33. Financial deregulation was an aspect of globalization which had helped to destabilize the developing countries, as the recent Asian crisis had shown. That was why Tunisia supported the establishment of a multilateral mechanism to control foreign capital movements and speculative flows in order to stabilize and regulate the international financial and monetary system.

34. Tunisia believed that economic and geographic groupings were a very important means of coping with globalization and it was determined to continue its efforts to build up the Arab Maghreb and establish a Euro-Mediterranean space to serve as a framework for cooperation among the countries bordering the Mediterranean. In that context it attached great importance to the next South-South conference in Cuba in November 2000.

35. His delegation supported the recommendations made by the Secretary-General in his report (A/54/358) with regard to action on the findings of international conferences and the establishment of a dialogue between the United Nations, the Bretton Woods institutions and WTO.

36. **Mr. Tomás** (Mozambique) said that his delegation associated itself with the statement of the Group of 77 and China. It shared the view that globalization had created opportunities, problems and new risks for all. It had indeed provided new opportunities for those countries which were well prepared to take advantage of them, but it had generally benefited the developed at the expense of the developing countries. The latter, in particular the least developed countries, were facing serious difficulties in integrating themselves in the world economy. By liberalizing trade and capital movements the globalization process had exposed the poor countries to powerful external forces and had marginalized them from the world economy. That had resulted not only in increased interdependence but also in over-dependence of the developing countries on the aid, markets and capital of the developed countries.

37. Globalization had thus become the most important challenge facing the developing countries today. The existing unjust international economic system must be replaced by a new system which would bring equal benefits to all the countries of the world. In the present case the need was to pursue the globalization of development, a process entailing the creation of an enabling international economic environment, reform of the global financial architecture, a comprehensive solution to the problem of the external debt of the developing countries, the provision of adequate aid for them, and the establishment of a fair trade agenda. In order to enable the developing countries to play a meaningful role in the globalization process, due account would have to be taken of their development concerns and their market access at the forthcoming WTO meeting in Seattle. At their meeting in Cape Town the trade ministers of the States members of the Southern African Development Community had emphasized that the principle of special and differential treatment of developing countries should be firmly established in the Seattle ministerial declaration.

38. **The Chairman** said that the Committee had thus concluded its general discussion of agenda item 104.

The meeting rose at 11.20 a.m.